MOVING THROUGH TRANSITIONS

A visionary urban design framework including the spatial conditions for a competitive environment in the metropolitan region of Zagreb

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A visionary urban design framework including the spatial conditions for a competitive environment in the metropolitan region of Zagreb

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Theory paper
1.1 MOTIVATION

" Sve uvozimo, ništa ne proizvodimo, i onda se u Vladi čude zašto smo u recesiji! "

‘’ We import everything, we produce nothing, and then the government questions why we are in a recession! ‘’

(Damir Kalafatić, 2015 in hrvatski-fokus.hr)

THE NEGATIVE VIEWS AND OPINIONS OF THE INHABITANTS OF CROATIA ON THE ECONOMIC PERFORMANCE OF THE COUNTRY

A societial issue covered heavily in the media of Croatia is its economic performance. The inhabitants show their emotions and disapproval of the current situation. One of the main themes is the inability of the country to play a part in the global market. Many inhabitants are holding the opinion that the country is not producing what it is able to produce. In these times of globalisation the country has intensified its imports, but fails to export the required amount for economic growth. This situation asks for an investigation on the wealth of nations, a fundamental element which has aspired many researches to find the core reasons. This fascinating subject which consists of many elements also contains spatial factors.

This thesis follows this current issue and tries to relate the economic disperformance of the country with its urban planning practice and resulting spatial structure. It studies the context influenced by its historical development, in order to find cause-effect relationships. It starts with consulting reports on the economic performance in relation to other EU member countries, in order to understand the problem. Then it looks for what role urban design and planning can have in order to improve the situation for its inhabitants.
"Zar danas moramo i kruh uvoziti?"
"Do we nowadays also have to import bread?"

(Zlatko Šimić, 2015 in jutarnji.hr)

"Jedino sto proizvodimo je Vegeta"
"The only thing we produce is Vegeta"

"Možemo hraniti pola Europe, a uvozimo jagode iz Perua i jabuke iz Poljske!"
"We can feed half of Europe, but we import strawberries from Peru en apples from Poland."

(Vjekoslav Daić, 2015 in dnevnik.hr)
1.2 PROBLEM FIELD

THE UNCOMPETITIVENESS OF CROATIA WITHIN THE EUROPEAN UNION

The negative view of the inhabitants on the economic performance of the country reflects itself in the decline and stagnation of the economy (Figure 1). Croatia is one of the few countries in the emerging and developing group within Europe, which has not been able to attract growth in the last decade. Due to pressures caused by the globalisation of the world economy, the country entered the European Union in order to improve its position. As from 2013, the country can call itself the newest member of the European Union (Figure 2). The EU emphasises that members states should be in the position to withstand competitive pressures in the single market as a key condition for accession (Malekovic & Frohlich, 2005). Although Croatia met the minimal requirements and was granted accession in 2013, the country performs relatively low in terms of competitiveness and in meeting the criteria of the Europe 2020 strategy (figure 3). The economic stagnation and decline of the country can be linked to the uncompetitive position of the country within the EU.

The last two decades there has been an approach based in evolutionary economic geography, which contains the concept of path dependance. This concept implies that the context developed through history will have an impact on future developments (Musterd & Gritsai, 2013). The next section focuses on understanding this context.
Croatia

Key indicators, 2014

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Population (millions)</td>
<td>4.2</td>
</tr>
<tr>
<td>GDP (US$ billions)</td>
<td>57.2</td>
</tr>
<tr>
<td>GDP per capita (US$)</td>
<td>13,494</td>
</tr>
<tr>
<td>GDP (PPP) as share (%) of world total</td>
<td>0.08</td>
</tr>
</tbody>
</table>

Figure 2: The economic stagnation of Croatia in comparison to emerging and developing Europe (Source: The Europe 2020 Competitiveness Report, © 2014 World Economic Forum)

Figure 3: Croatia within the European Union
1.3 PROBLEM CONTEXT

A COUNTRY GOING THROUGH POLITICAL TRANSITIONS AND A CHANGING POWER OF ACTORS IN THE BUILT ENVIRONMENT

The importance of the current context which is a result of past developments in social-economic terms, is visible in the relation between the political environment and its impact on space. Croatia before becoming a nation state has been through many political transitions through its history (Figure 4). A compelling notion is the switch between power of actors which have an impact on space (Figure 5). During the transition from a socialist to a capitalistic system, the state and its experts lost a great deal of power to economic actors, whose materialistic values led to unplanned random building (Zlatar, 2014). During Yugoslavian times, the power was in the hands of political actors and professional actors as urban planners, architects, etc. During these times many plans were shelved as blueprints of unachievable goals (Cavric & Nedovic-Budic, 2007). The situation changed during and after the transition when economic actors gained enormous power. Figure 5 shows the negative impact on space of both socialist and transition periods. When Croatia started its negotiations with the EU, the Europeanisation of the planning process started, which is advocating a balance in power of all four actors.

Figure 4: The major political transitions the country has been through during its history
Figure 5: The power of four different actors in space during three socio-political times and the impact on the urban environment (Source: Image based on the article from Zlatar, 2014)
Figure 6: The four regions of Croatia with their main cities and city size
CROATIA AND THE EU WITHIN THE CONTEXT OF ONGOING GLOBALISATION AND REGIONALISATION

The most recent political transition is the admittance to the European Union in 2013, which sets the current context. Many of the Post-Socialist states, which were once located behind the iron curtain, have now be integrated within the European Union, where decentralisation is one of the main reform processes in political-management systems nowadays (Kopric, 2009). It is a result of the demand for more local voice in the decision-making process. It is based on the belief that local levels can make wiser decisions (Tosics, 2005). It goes hand in hand with the process of globalisation asking for effective governance in order to maintain a competitive position. It occurs in a context where the contrasts of the different planning cultures in Europe are fading (Getimis & Magnier, 2013). This is imposed by EU regulations which are advocating for decentralisation and flexibility in planning, in order to maintain efficient in the current environment of deregulation (Pallagst & Mercier, 2007). The Europeanisation of the planning process has a direct impact for post-socialist cities integrated or awaiting integration within the European Union. Many laws on spatial planning had or have to be altered according to guidelines (Slavuj et al., 2009). These guidelines are imposed in order to increase the economic and social integration of the EU territory, through the enhancement of the competitive positions of its regions, a position which the Croatian regions fail to meet.
1.4 STUDY LOCATION

The discussed problem field showed that there is a problem with the competitive position of Croatia within the European Union. This shows itself in the relative low performance of its regions in terms of innovativeness. One of those regions is the metropolitan region of Zagreb, which is the study location of this thesis. It studies the relation between competitiveness and the built environment. At the same time it takes the context of political transitions and the current context of globalisation and europanisation into account.

The context of political transitions reflect itself in the built environment. Zagreb is a city which has developed layers through its historic development (Figure 8 and 9). The city more or less follows a concentric model in terms of historic layers. The first ring consists of the first settlements of Zagreb during medieval times. It contains two previously fortified settlements on the rising slope of the mountain Medvenica. After the incorporation of Croatia into the Austrian -Hungarian empire the city expanded southwards. An extension plan containing a grid of urban blocks with a high focus on public space in terms of parks, squares and cultural facilities was set up. At the same time Europe was industrialising and the authorities laid out an extensive rail road network, which determined its further development. After the political and social unrest in Europe which has led to the First World War and the creation of a state of Southern-Slavs, the early Yugoslavian ring became noticable. It is determined by modernisation and socialism. The urban fabric developed a car oriented structure with an extensive primary road network. During the crumbling down of the socialist state, the city developed it latest ring, which is recognisable by contrasting developments.
Figure 9: The development of Zagreb following four concentric rings in which four distinctive historical periods can be identified.
1.5 PROBLEM ANALYSIS

THE TRANSITION TO CAPITALISM AND THE BUILT ENVIRONMENT

During the transition a main question was how to frame the nature and extent of government intervention in regulating urban development within a market based society (Stanilov, 2007). Many of the laws and policies became invalidated. Governments had the difficult task to formulate and implement new public policies during the transition. This has led to a situation in which spatial planning was neglected or absent. This extreme flexibility in the system made land speculation, illegal construction and environmental degradation possible (Cavric & Nedovic-Budic, 2007). Cities have experienced a majority of spatial transformations which have led to a worsening of its sustainable future (Tosics, 2004). On the other hand there are also positive transformation signs noticeable. De-industrialisation has caused a remarkable improvement of the environmental situation in the sense of heavy pollution (Jordan, 2010) and the process of revitalisation of central areas (Dimitrovskas Andrews, 2005). However, it can be stated that the negative developments outweigh the positive in terms of sustainability.

SPATIAL IMPACTS IN POST-SOCIALIST ZAGREB

The mentioned conditions left a mark on the urban structure of the city. Unemployment, poverty and growing social polarisation are the most prominent contemporary features of the socio-spatial structure of post-socialist cities (Prelogovic, 2004). The metropolitan area has been prone to urban sprawl and urbanisation of agricultural land (Cavric & Nedovic-Budic, 2007). Densification of land is happening but without a clear strategy of urban development and oversized buildings are built on relatively small plots without adequate infrastructure (Slavuj et al, 2009). There is an underutilisation of valuable urban spaces, shortage of housing, illegal residential construction, transportation problems, deficiency in certain urban services and lack of funding for capital projects (Cavric & Nedovic-Budic, 2007). The best municipal land is being allocated to shopping malls, offices and businesses, while residential projects end up in less convenient and attractive locations (Zlatar, 2014). This all has an impact on how the inhabitants are feeling towards their city. Based on a survey, social housing estates in decay and unplanned districts evoke the most negative feelings and discomfort among the inhabitants of Zagreb (Stiperski, 1997). These processes are visualised in figure 10.
Figure 10: The power of four different actors in space during three socio-political times and the impact on the urban environment
UNPLANNED SPRAWL IN THE UNCONSOLIDATED FOURTH METROPOLITAN RING

The processes typical for a Post-Socialist city and for Zagreb, can be fit into a development described as unplanned urban sprawl. The post socialist city having had relative sharp urban boundaries, started suburbanising due to new, and lack of, legislation (Stanilov, 2007). Zagreb experienced an intensified suburbanisation process, after and during the transition. Figure 11 shows the spatial changes between 1986 and 2011. The biggest suburbanisation occured on the slope of the Medvednica mountain. An enormous amount of new dwellings have been extrapolated onto small plots, without the necessary infrastructure (Gotovac & Zlata, 2015). These unplanned developments occured in unconsolidated lands. The fourth metropolitan ring experienced the biggest change and shows the highest degree of unconsolidation. The first and second ring experienced changes in the form of land-use changes due to the high level of consolidation. The inner city has underwent a process of commercialisation, in which uses have been changed to fit the needs of a commercial economy. The unconsolidated lands and its unplanned nature can be linked to a weakened spatial governance system, which acted as an enabler.
THE POST-SOCIALIST TRANSITION AND A WEAKENED SPATIAL GOVERNANCE SYSTEM

Many of the new laws were poorly written, inadequately coordinated with other legislative acts and lacking sufficient legal power (Stanilov, 2007). It is clear that these persistent problems can not be healed over night. Cities still deal with problems of low transparency, lack of information of market potential, lack and unreliability of data, changes of the legislative environment and problems with the land register (Ivanicka, 2007). This has resulted in a lack of clear spatial spatial plans in which the further development is planned (Stanilov, 2007). During the transition long-term planning was replaced by short-term planning (Tosics, 2005) and resulted in an absence of coherent long-term national and regional policies (Dimitrovskas Andrews, 2005). The urban development and its decision-making process are managed non-transparently (Zlatar, 2014). Croatia’s regional policy is based on a sectoral rather than a integrated approach, leading to uncoordinated measurements and actions, which makes synergetic effects impossible (Malekovic & Frohlich, 2005). These problems were caused by the abrupt political transition but were exacerbated by a laissez-faire approach of the authorities.

THE ECONOMIC PRIORITISATION OF ACTORS

This laissez-faire approach made it possible for a change in the role and power of actors in urban space as discussed before. Investors are known for having an economic priority above other priorities, but they are not the only ones. A research from Stiperski & Kamenov (1996) who surveyed migrants from rural Croatia who migrated to Zagreb and found that they are satisfied in Zagreb with their improved economic condition, although they gave up better previous conditions in terms of natural environment and social relationships. Getemisis & Magnier (2013) surveyed local counsellors in the EU and found out that priority was given to attracting economic activities above fighting against social exclusion and pollution. This context of economic prioritisation of the actors, explain the degradation of environmental and social qualities and makes it difficult to advocate a sustainable development.

Figure 12: The power of four different actors in space during three socio-political times and the impact on the urban environment
1.6 PROBLEM DEFINITION

PROBLEM STATEMENT

The context of a Post-Socialist transition has lead to a weakened spatial governance system which enabled a negative impact on the urban environment containing negative spatial externalities, which prevent the agglomeration of Zagreb in gaining competitive advantages.

NEGATIVE SPATIAL EXTERNALITIES

The forces and their impact on the built environment are summerised in Figure 13. The mentioned forces have an environment containing negative externalities as a result. These externalities do not provide the right conditions for a competitive environment. The more dispersed and less structured a built environment is, the lower its level of efficiency and competitive value (Camagni Et al., 2002). This thesis will therefore focus on further defining the influence of these externalities and linking them to the proposed conditions for a competitive environment in literature. It will look for the current theories on spatial competitiveness, which can explain this relation.

Figure 13: The power of four different actors in space during three socio-political times and the impact on the urban environment
PROBLEMATIC THIRD AND FOURTH METROPOLITAN RING

From all the processes discussed, it can be concluded that the third and fourth metropolitan ring of Zagreb contain the most negative externalities. The excessive urban sprawl increases commuting distances, which generate traffic congestion, pollution and diminishes valued open spaces (Brueckner, 2000). The beginning of sprawling of cities can be traced back to the introduction of the automobile. A technology which significantly increased the average mobility of households. This development, however, excludes those inhabitants who cannot afford the luxury of a car. They tend to be stuck in the monotonous fringe of the city with less local opportunities. During the Post-Socialist transition the amount of investment increased in the urban fringe, which had the potential to provide more local opportunities. The new centralities, however, were realised as enormous car-oriented shopping malls and hypermarkets leaving out the furnerable population. The attraction of these large enterprises may lead to the edge city (Mega, 2010).

This thesis will further focus on the third and fourth ring, while taking the first and second ring into consideration. The integration of environmental and social aspects, complicated due to the prioritisation of economic values, will be a challenge for this thesis.
1.7 RESEARCH QUESTIONS

MAIN QUESTION

How can the 3d and 4th ring be integrated into the metropolitan structure of Post-Socialist Zagreb to create the right conditions for a competitive environment using the model of Knowledge Based Urban Development.

SUB QUESTIONS

Planning requirements

What is the current spatial planning paradigm and which requirements and mechanisms are the most adequate to develop the spatial conditions for spatial competitiveness?

What is the current planning practice in Croatia and Zagreb in particular and does it meet the requirements of the current spatial planning paradigm and what changes are required to increase its effectiveness?

Spatial conditions

What are the theories on spatial competitiveness on a regional scale and how do they relate to Knowledge Based Urban Development?

Which spatial conditions are creating a competitive advantage in the context of Post-Socialist Europe in transition, how is this process visible and what can be learned from the regions which gained a competitive position?
A study on the 3rd and 4th metropolitan ring of Zagreb and taking the 1st, 2nd and 5th ring into consideration

Searching for place-based policies, people-based policies are out of scope in this project

Spatial indicators of competitiveness in relation to the knowledge city

The project aims to take current developments and strategies into account
1.8 METHODOLOGY

METHODS OF INQUIRY

- Theory research based on four theories on spatial competitiveness
- Case studies on strategic plans focused on gaining competitiveness
- Integrative model of KBUD to select the criteria for analysis
- SWOT analysis approach in the spatial analysis
- Literature review on current Spatial planning paradigm
- Planning documents review and interviews in the practice field
- Research by design for setting up the framework with potential spatial interventions

TAILOR-MADE APPROACH IN STRATEGIC PLANNING TO FIND THE STRATEGIC SPATIAL ASSETS OF AN ENVIRONMENT

The methodology follows an approach which focuses on the creation of a tailor-made strategic vision based on a collaborative process between stakeholders. In order to answer the main research questions, it is necessary to understand the current theories which can explain the processes behind competitiveness. The theories will produce a set of conditions which will be selected according to their integrativeness following the model of Knowledge Based Urban Development. This model is related to the sustainable development model and groups four qualities. The conditions will be grouped according to their scale, stakeholder interest and qualities. This matrix can provide an overview of strategic conditions. The conditions will be analysed for applicability by following a SWOT analysis approach in which the metropolitan structure will be analysed in relation to the conditions. The goal is to show the integrative potentials of the conditions, in order to enhance collaboration between stakeholders and to seek for a mutual agreement on development. The applicability of this approach has to coincide with the current planning practice. Therefore the current spatial planning paradigm will be reviewed, in which the mechanisms for enhancing competitive spatial conditions are advocated and they will be related to the current spatial planning practice.
METHODOLOGY

THEORETICAL FRAMEWORK

INTEGRATIVE MODEL
- Knowledge Based Urban Development
  - Economic
  - Environmental
  - Social
- Organisational

THEORIES
- Spatial Conditions
  - 4 theories
  - 1. Classic theory
  - 2. Cluster theory
  - 3. Soft theory
  - 4. Network theory
  - 2 case studies
  - 1. Amsterdam
  - 2. Bratislava

Planning Requirements

SELECTION OF CONDITIONS & REQUIREMENTS TO ANALYSE

ANALYTICAL FRAMEWORK

Spatial Analysis
- Constraints and potentials

Planning Review
- Flaws and improvements

INTEGRATIVE SPATIAL VISION

Objectives & Goals + Stakeholders and Spatial Scale
- Top-down
- Bottom-up

SPATIAL STRATEGY

COLLABORATIVE URBAN DESIGN
- Strategic Actions
- Stakeholders

EX ANTE EVALUATION

Scenarios
- TOP DOWN & BOTTOM UP
- INVESTMENTS
- RECOMMENDATIONS
1.9 RELEVANCE

Figure 15: The dispersion of knowledge and ideas through the agglomeration of Zagreb

SCIENTIFIC RELEVANCE: THE INTEGRATION OF POST-SOCIALIST EUROPE INTO THE KNOWLEDGE ECONOMY

The research of this thesis is part of the complex cities and global cities research group. The main objective of this group is to investigate spatial processes related to globalisation and the increasing complexity of the urban environment. This thesis is analysing the context of a Post-Socialist city in relation to the forces of globalisation and what impact it has on the urban environment. It searches for adequate planning mechanisms which can deal with this complexity and the negative externalities. This is a relevant issue since a majority of the Post-Socialist cities have a tradition in land-use planning (Dimitrovksa Andrews, 2005). This planning mechanism is becoming obsolete in a globalising world in which regions compete and have to create the right conditions in order to receive competitive advantages. There is an enormous gap in terms of development between Western and Eastern Europe and regions lack conditions for competitive advantages. Strategic planning with a focus on a collaborative approach in which the conditions are visualised, can enhance a mutual agreement amongst stakeholders. This thesis searches for a framework in which the conditions for a competitive environment can be integrated. It takes the current paradigm of strategic planning into account and looks how it can be applied in the context of a Post-Socialist city, a highly complex environment due to heavily visible spatial impacts on the environment due to globalisation.
SOCIETAL RELEVANCE: A MARGINALISED SOCIETY ON THE FRINGE OF THE METROPOLITAN AREA

Croatia and its habitants suffer from a decade of economic decline and stagnation, caused by the economic crisis and exacerbated due to an ineffective governance system. This system also fails to prevent the growing social polarisation and environmental degradation of the Zagreb metropolitan region. The country is rated highly uncompetitive when compared to the other 28 EU countries (World Economic Forum, 2014). This situation expresses itself in a brain drain of the country with young talented people seeking their welfare elsewhere (Tomic & Plese, 2014).

This thesis therefore seeks for a framework in which the different stakeholders can collaborate in finding an agreement on a spatial vision, visualising the assets of the built environment and the conditions needed for change in order to improve the competitive advantage of the city. The goal is to have a positive impact on stakeholder involvement, political will and investments. Looking for ways to increase public awareness and public participation in the process.

The location of the study includes approximately half a million inhabitants (Figure 16) which have experienced a growing social polarisation. The thesis looks for methods in which these local communities can have a voice in the decision-making process. Through visualisations it tries to show the local possibilities and proposes improvements in the built environment to gain competitive advantages.
1.10 TIME SCHEDULE

P1 P2 P3 P4 P5

SEP OCT NOV DEC JAN FEB MAR APR MAY JUN

INTRO
Motivation
Problem identification
Research Questions

RESEARCH
Theory on spatial conditions
Case studies
Theory on Planning paradigm
Integrative model research
Conclusion and selection
Spatial analysis
Planning review
Diagnosis
Location visit & interviews

PRODUCT
Objective and Goals
Stakeholder Grouping
Vision framework
Spatial priorities
Project selection
Critical actions
Urban Design strategy

REVIEW
Scenario analysis
Objectives review
Recommendations
THEORETICAL FRAMEWORK

DEFINITION
What is the definition of competitiveness according to the European Spatial Development Perspective and context of European integration?

VISIBLE OUTPUT IN SPACE
How does competitiveness express itself in space through scales in terms of economic output?
How is competitiveness visible in the context of post-socialist Europe?

4 THEORIES ON SPATIAL COMPETITIVENESS

1. Classic
2. Cluster
3. Soft
4. Network

2 INTEGRATIVE MODELS

1. KBUD
2. SUD

2 CASE STUDIES

1. Amsterdam
2. Bratislava

SELECTION OF CRITERIA from the 4 theories

Criteria in relation to:

1. context and scale
2. the integrative models and diversity of stakeholders and their focus
3. best practices from case studies
1.11 DEFINITION OF COMPETITIVENESS

DEFINITION BY THE EU COMPETITIVENESS REPORT

Regional competitiveness can be defined as the ability to offer an attractive and sustainable environment for firms and residents to live and work (Dijkstra et al., 2011).

NO CONSENSUS ON HOW TO DEFINE COMPETITIVENESS NOR HOW TO MEASURE IT

There is no consensus on what competitiveness exactly is and how it can be measured (Kitson, et al., 2004). There are a multitude on definitions, of which the definition from the World Economic Forum is used the most. This thesis takes the definition of the EU competitiveness report into account, due to the context of European integration. The report reports a framework which contains a set of indicators. These indicators are used to benchmark the EU region on a NUTS 2 level. The results of the report can be used to prioritise certain elements and to focus on the weaknesses discovered in the report (Annoni & Dijkstra, 2013). There is also no consensus on how to use these benchmark reports. Benchmarking competitiveness through the use of indicators can be misleading and far from reality and therefore benchmarking should focus on the system rather than on indicators (Malecki, 2007). This thesis therefore searches for theories which can explain the processes behind competitiveness. The EU Competitiveness report does show one clear relation and that is the relation between its three pillars (Figure ?). Those regions which are the least developed should focus on strengthening the basic group before focusing on another step higher (Annoni & Dijkstra, 2013). This has implications for the metropolitan region of Zagreb, which can be classified as one of those less developed regions.
1. Institutions
2. Macroeconomic Stability
3. Infrastructure
4. Health
5. Basic Education
6. Higher Education & Training
7. Labour Market Efficiency
8. Market Size
9. Technological Readiness
10. Business Sophistication
11. Innovation

**Figure 17**: Regional Competitiveness Index framework (Adapted image from EU regional competitiveness report, 2013)
uneven distribution of economic output across space in relation to spatial scale

As shown in figure ?, competitiveness can be measured across multiple spatial scales. With the globalisation of the world economy and the diminishing borders between countries, it are regions which are becoming the new spatial scale in which competitiveness is defined. Krugman (1997) holds the notion that countries do not compete against each other but cities and companies do. Statistics on a national scale are becoming obsolete, due to increasing disparities between regions. Figure ? shows how the generalisation of data across space can create a distorted reality. Gaining deeper understanding on the interactions which occur on different scales is necessary for choosing the right intervention. These interactions operate on different scales: global, national, regional and local (Malecki, 2002). There has been little research, however, on what spatial scale interventions should be taken in order to gain competitiveness (Kitson, Et al., 2004). Linking the theories on competitiveness and the conditions with the different scales the can operate on, has to be part of the proposed framework for potential spatial interventions.
Global (National scale)

EU (NUTS 2 scale)

National (NUTS 3 scale)

Metropolitan scale

(Source: Eurostat, 2010 through Eurographics)

(Source: Eurostat, 2010 through Eurographics)

(Source: Eurostat, 2010 through Eurographics)

(Source: Eurostat, 2010 through Eurographics)
1.13 COMPETITIVENESS IN CONTEXT

WINNERS
- metropolitan cities and large regional cities
- western border belts
- rural regions with tourism
- rural regions along development corridors

LOSERS
- old industrial regions
- rural space

UNEVEN DEVELOPMENT IN POST-SOCIALIST EUROPE IN RELATION TO SPATIAL AND GOVERNANCE FACTORS

On a regional scale, growing disparities are noticeable as a spatial impact, in the context of Post-Socialist Europe. Ironically, an impact socialist planning was trying to prevent. These regional disparities, have adopted relative extreme forms in Post-socialist Europe, where an enormous reduction in quality of life in rural space is occurring (Jordan, 2010).

Foreign Direct Investments are the most critical external force in the urban restructuring of Post-socialist Europe (Hamilton, 2005) and can be directly related to the growing disparity between regions. Foreign Direct Investments however are not evenly dispersed across space. Central European capitals are favoured for investments (Hamilton, 2005) and geographical location in terms of proximity to EU-15 states is one of the economic advantages which has encouraged investments as well (Ivanicka, 2007). Next to geographical factors as big internal market sizes, foreign investors value political stability (Tosics, 2005).

It can be concluded that foreign investment in Post-socialist Europe roughly depends on: political stability, geopolitical position and the speed of economic restructuring (Tosics, 2005).

These factors explain why South-east Europe falls behind in terms of development. This part of Europe shows a greater lack of policy stability in relation to other central and eastern European countries (world economic forum, 2014). One of the causes of a greater instability and Former Yugoslavian cities having received relatively little attention from investors is due to an armed conflict (Tosics, 2005). These differences in spatial and governance factors have lead to a situation in which winners and loosers can be defined (Figure 19).
Figure 19: The Post-Socialist countries of the European Union showing the winning regions of globalisation (Image based on the article of Jordan, P. (2010))
THE FOUR THEORIES ON COMPETITIVENESS

Spatial competitiveness theories can be classified in four different domains: classic theory, cluster theory, network theory and soft conditions theory (Musterd & Kovacs, 2013).

Classic theory is based on the findings from economic geography which can be traced as far back to the principles of Christaller. It tries to explain competitive advantage in terms of efficiencies in the spatial organisation of the built environment. It sees the agglomeration of economies as the primary factor of a competitive environment, which can be further subdivided into urbanisation economies and localisation economies.

The latter can be related to a relative new theory named cluster theory, based on Porter’s (1998) concept of export-oriented clusters in which productivity is the main concept. It goes hand in hand with knowledge-based approaches, due to the acknowledgement that innovativeness became the main driver of economic growth.

Florida (2005) with his notion on the importance of attracting the creative class to cities, has set a start for a new theory. This newest theory of soft conditions recognises the importance of conditions which are related to livability and quality of life.

The last theory puts an emphasis on personal networks. Malecki (2002) describes the importance of networks and their function in gathering knowledge through social interaction. Networks enlarge economic possibilities and this enlargement, combined with an increased flow of knowledge are creating a competitive advantage.
Figure 20: Physical infrastructure as part of classic theory

Figure 21: Public space and interaction possibilities as part of soft conditions and network theory
Classic theory mainly focusses on the benefits from agglomeration economies. Agglomeration economies create economies of scale, which increases the market size and therefore expands possibilities for firms to sell their products (Hacker et al., 2013). This economy of scale enlarges with geographic concentration of population, which drives economic growth in metropolitan- and city regions (Hacker et al., 2013). Density as well as variety in terms of economic diversification improve the condition for economic growth as well (Hacker et al., 2013). This theory includes policies which invest in transport in order to increase access to markets (D’Costa et al., 2013). It propogates integrated physical infrastructure to reduce business transaction costs as a competitive advantage (Choe & Roberts, 2011).

This theory relates to localisation economies based on industrial specialisation, which can explain why low populated rural regions can show high economic growth as well (Hacker et al., 2013), in contrast to urbanisation economies. These localisation economies gain competitive advantage through sharing suppliers, customers, research centres, skilled labour, institutions and professionals (Rosenfeld, 2003). It became the main focus of spatial policy makers nowadays, who extensively set up cluster policies in order to maintain or improve competitive advantages (Musters & Kovacs, 2013). While setting up these policies, it is important to identify those clusters which can retain a competitive advantage (Lever, 2002). A diversification of clusters, therefore, can lead to a sustained economy when certain clusters fall out.
Soft conditions theory became increasingly popular the last decade and it can be related with research on the quility of life and the liveability of built environments. Quality of life is a key factor of competitiveness and cities are recognizing that they cannot compromise on social and environmental values (Mega, 2010). It is regarded by many as a factor for attracting people and capital. (Mega, 2010). Urban amenities and facilities are supposed to attract the creative class (Florida, 2005). Improving the quality of the built environment by focusing on well-designed urban environments is an assumption held by many but it lacks empirical research (Whitehead, Et al., 2006). The last decade a focus in research has been on making a link with natural spaces, human health and quality of life (Sargolini, 2015).

Network theories take the notion that is about who workers know rather than what they know (Schrock, 2014). Much of the current theory focuses on increasing the mobility of workers in order to enlarge work possibilities (Schrock, 2014). Tools for enhancing the accesability for low-wage workers found in this theory include transit-oriented development and positive housing/work balances (Immergluck, 1998). It is also stongly related to population densities, since low densities may reduce social interactions (Brueckner, 2000). The competititve advantage originates in the increase of work possibilities and knowledge flows between inhabitants. These interactions operate on different scales: global, national, regional and local (Malecki, 2002), and set up policies should therefore relate to the intended scale.
The theories have provided an overview of the conditions which explain the processes behind the creation of competitive environments. The theories are however detached and applying separate theories in form of policies will prohibit the creation of synergies. Many of the current policies on competitiveness follow the cluster theory, which has an economic focus. Combined with an entrepreneurial approach in strategic planning which has its main goals to attract investments can create problems. Attracting investments is the key to secure a long viability of an economy, however there is a concern that it might override other policy-aims such as sustainability (Begg, 2002). Therefore, an integrative model is needed for the integration of socio-ecological systems in urban areas, which have an impact on human health (Tzoulas, 2007). This thesis seeks for a framework in which the different conditions operating at different scales and with differing supports from stakeholders, can be integrated. It can be for example integrated with soft conditions through landscape planning and ecological planning which is is prone to be part of sectoral plans (Sargolini, 2015).
KNOWLEDGE BASED URBAN DEVELOPMENT AS AN INTEGRATIVE AND CO-OPERATIVE MODEL

The dangers of following only one theory in reaching competitiveness, are manifold. Cluster theories tend to leave out local populations, while many network theory applications focus on global interactions. An integrative model can prevent this tunnel vision. This thesis will follow the model of Knowledge Based Urban Development. The knowledge city can be regarded as an integrated city (Yigitcanlar et al., 2008). In order to enhance knowledge flows and creation, policies have to follow an integrative approach, to maximise its effect. The KBUD framework acts as a collaborative development framework in which public and private parties pro actively develop strategic policies (Yigitcanlar & Lönnqvist, 2013). The conditions from the theories have to be grouped according to their stakeholder interest and to their focus of qualities. The framework is based on a right balance between four qualities: social, spatial, economic and organisational (figure 23). Public-Private co-operation is required to reach the abundance of conditions which require an integrative approach (Malecki, 2002).

Figure 23: Conceptual framework of Knowledge Based Urban Development (Adapted image from Yigitcanlar & Lönnqvist, 2013)
1.16 CASE STUDIES

Expanding centre

Green structures

Focus on the river

International South

Figure 24: The four key locations where the focus on spatial interventions (source: Structuurvisie Amsterdam 2040, economisch sterk en duurzaam)

COMPREHENSIVE STRUCTURAL VISION OF AMSTERDAM

The success of Amsterdam in attracting knowledge and creative workers is mostly influenced by its historic development (Musterd & Deurloo, 2006). The urban structure of Amsterdam contains the right urban atmosphere in terms of a diverse and mixed environment which makes a high level of interaction possible. This environment, however, mainly restricts itself only to the area within the highway ring. The city authorities recognise the potentials in a further enlargement of the urban fabric containing the right conditions for a knowledge based economy. It developed a strategic vision named: Structuurvisie Amsterdam 2040, economisch sterk en duurzaam. This vision includes objectives which aim to create the right conditions stated in the literature on spatial competitiveness and can be regarded as highly up to date. The city projects four major locations in which it will further focus its developments. It manages to create a tailor-made plan which is highly visualised and projected into space. The integrative nature of this strategic plan acknowledges the current paradigm on collaborative planning.
THE SIX OBJECTIVES OF THE VISION

1. Higher densities
2. changing and combining functions
3. regional public transport
4. high standard public space
5. better use of green space and water
6. sustainable energy
1.17 CONCLUSION

THE DIFFERENT FOCUS OF THE THEORIES AND THE POTENTIAL OF INTEGRATION

The four theories can be grouped into the three spatial quality groups of the KBUD model. The classic theory has an economic focus and hardly shows elements of environmental sustainability. The cluster theory has an economic focus as well and it is the main theory on which policies are focused nowadays. This economic focus in relation to the context of the Post-Socialist will not be able to mitigate the negative externalities it has experienced through its transition. Soft theory on the other hand has a focus on environmental and social sustainability. Network theory has a focus on social and economic sustainability depending on its spatial scale. These conditions will be further analysed on their integrative value, their relation to stakeholder groups and their interaction on different spatial scales, in order to come up with a framework which can be translated into spatial conditions and interventions.
Figure 26: Conceptual framework of Knowledge Based Urban Development (Adapted image from: Structuurvisie Amsterdam 2040, economisch sterk en duurzaam)
PRODUCT AND GOALS

1.18 PRODUCT AND GOALS

PRODUCT

- A framework for a strategic development vision for the metropolitan region of Zagreb showing the conditions for creating a competitive environment in which private and public actors can co-operate and find a mutual agreement on the valuable assets of the region.

- Identified key strategic locations for intervention to create a competitive environment using the integrative and co-operative model of KBUD.

- One key location on a lower scale to further develop a strategy showing a possible set of prioritised visualised strategic actions.

A FRAMEWORK SHOWING SHARED POTENTIALS TO ENHANCE CO-OPERATION AND POLICY STABILITY

Literature and research has proven that commitment to reforms and the attraction of foreign investment are one of the criteria for an economic success in Post-socialist Europe. An entrepreneurial marketing style of planning, however, might tend to favour short-term economic interest, the same interest post-socialist. Instead of compromising on the restrictive nature of land-use plans, post-socialist cities need to find the right balance between restrictiveness and the entrepreneurial approach of strategic planning. The restrictive form of land-use planning on the other hand fails to capture the potentials and fails in visualising the assets of an urban environment and therefore needs to be complemented by strategic planning. The current spatial planning practice lacks an integral approach based on visualisations, in which social, cultural and environmental assets are visualised in order to attract investment for further development in a sustainable way. Visualisations can increase awareness of current social, economic and environmental problems within an integrated comprehensive strategic plan, to have a positive impact on stakeholder involvement, political will and investments in order to tackle the problems of the post-socialist city. Using visioning to come to an agreement of the main development of the main assets of the Metropolitan region of Zagreb and help to reduce policy instability.
GOALS

- Showing the potentials of tailor-made strategic plans in Post-Socialist Europe
- A more visual planning in order to attract investments, create awareness of current conditions and to have less chances to deviate from policies and to create policy stability.
- A strategic plan which does not solely focus on the identification of places with economic development potential.
- Using design as a collaborative tool and focusing on the quality of the built environment as an asset

VISION

- LONG term
- FLEXIBLE
- THOUGHTS
- LARGE scale

STRATEGY

- MEDIUM term
- ADAPTABLE
- ACTIONS
- MEDIUM scale

Figure ?: The power of four different actors in space during three socio-political times and the impact on the urban environment
REFERENCES


APPENDIX

domain paper